

Report from Ranking Member Rosa DeLauro

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Total Spending in the Labor-HHS-Education Bill: Over the Past Ten Years, Just Roughly Keeping Up with Inflation

The Labor-HHS-Education appropriations bill funds a wide range of high priority programs: medical research at NIH, job training, basic support for local school systems, Head Start, financial aid for college students, the public health and disease prevention programs of the CDC, and the operating expenses of Social Security, Medicare and unemployment insurance, to give just some examples.

Despite these important missions, House Republicans are targeting the Labor-HHS-Education bill for a new round of cuts totaling \$6.8 billion below the prior year's level, as part of their campaign to repudiate last year's budget agreement and instead implement the Ryan budget plan. Although the Labor-HHS-Ed bill accounts for about 15 percent of overall discretionary appropriations, the House Republicans have allocated more than 40 percent of their proposed FY 2013 appropriations cuts to that bill.

Republicans often justify their budget cuts on the basis that cuts are necessary to reverse previous "out of control" spending increases. As is often the case, however, for the Labor-HHS-Ed bill those alleged rapid increases are more a matter of mythology than fact.

The Past Ten Years

Over the past ten years, overall growth in the Labor-HHS-Ed bill has been rather modest, barely enough to keep up with general inflation, and not sufficient to keep up with inflation and population growth.

The attached graphs show adjusted total discretionary budget authority in the Labor-HHS-Ed bill for each year since FY 2002—and the effects of various proposals for the upcoming year.[1]

{pdf=images/stories/pdf/lhhse/LHHS_Charts_7-18-12.pdf|625|800}

From FY 2002 through FY 2012, the bill's total increased by 27 percent. At the same time, prices (as measured by the broad GDP price index) rose by 25 percent [2] and the population grew by 9 percent. The net result is that, on an inflation-adjusted basis, overall Labor-HHS-Ed appropriations have increased by only 2 percent in the ten years since FY 2002. Adjusted for inflation and population growth, the bill's purchasing power actually *shrank* by 7 percent.

As the graphs show, there were various ups and downs during this period. On an inflation-adjusted basis (as shown in Graph 1), total appropriations in the bill rose between FY 2002 and FY 2004, and then decreased through FY 2008. There were increases between FY 2008 and FY 2010, as new Democratic majorities in Congress worked with the Obama Administration to regain lost ground and address needs resulting from the recession. Then, between FY 2010 and FY 2012 significant cuts were enacted. The net result is that *the inflation-adjusted FY 2012 total is lower than any year since FY 2002 except FY 2008.*

If adjustment is made for population growth as well as inflation (as shown in Graph 2), the increases are smaller and the decreases bigger. The growth between FY 2008 and FY 2010

did not make up for the declines in the preceding four years. As a result, *on an inflation-and-population-adjusted basis, the peak year for Labor-HHS-Ed funding was FY 2004 and the FY 2012 level is the lowest of any year since FY 2001*

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The House Republican Proposal for FY 2013 □ □ □

The FY 2013 Labor-HHS-Education bill proposed by the House Republicans would cause funding to fall further behind needs. The bill's total is 4.3 percent below the previous year in actual dollar terms. Adjusted for inflation, the overall cut is 5.6 percent; adjusted for inflation and population growth the reduction is 6.4 percent. *On an inflation-adjusted basis, the resulting total would be the lowest since FY 2001.*

Adjusted for both inflation and population growth it would be the lowest level since *before* FY 2001.

In short, over the past ten years, spending increases in the Labor-HHS-Education bill have been modest—and provide no justification for a new round of cuts. The total proposed by the House majority for the coming year would roll back the purchasing power of the bill to levels not seen in more than a decade.

[1] The numbers used in this paper and the accompanying table and graphs represent total discretionary appropriations in the regular Labor-HHS-Ed bills. They do not reflect any supplemental appropriations (including the Recovery Act) or any emergency appropriations included in the regular bills—and there have been no such supplementals or emergency spending for Labor-HHS-Ed programs since FY 2010.

[2] This is a rather conservative adjustment, since many programs within the bill such as energy assistance, health care, and medical research probably face costs that have risen more rapidly than the economy-wide average.